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Participatory governance and citizens' engagement in policy development, service delivery and budgeting

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Note by the Secretariat

Summary

The Committee of Experts on Public Administration selected the theme of participatory governance as priority for its sixth session, in the light of the increasing importance of good governance and participation to Member States for reaching the internationally agreed development goals. The Committee will examine the approaches adopted and obstacles faced by countries that have fostered citizens' participation in governance and public administration. Its objective is to determine the role of participatory governance in achieving the United Nations Development Agenda, with a view to recommending policy options for Member States to better institutionalize participatory arrangements and processes.

The present note sets the parameters for the Committee's debate and poses some questions for identifying policy options and recommendations. The first part of the note sets the parameters by addressing the following aspects of participatory governance and citizen engagement: (a) definition and rationale; (b) democracy and development; (c) service delivery; (d) limitations; (e) innovations; and (f) prerequisites of effective participation. The second part analyses policy development, service delivery, budgeting and public accountability, raising questions about unresolved issues in institutionalizing such mechanisms. It also recommends policy options.

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** The report was submitted late owing to the need to consult members of the Committee.

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I. Introduction

1. The 2005 World Summit recognized that good governance cuts across the whole range of development goals and objectives that emerged from United Nations conferences and summits held in the 1990s, which is called the United Nations Development Agenda. The World Summit Outcome stipulates that "good governance and the rule of law at the national and international levels are essential for sustained economic growth, sustainable development and the eradication of poverty and hunger".[1] The Economic and Social Council further reinforced "the need to deepen the participatory processes of government to ensure citizens' engagement to achieve internationally agreed development goals, including those contained in the Millennium Declaration".[2]

2. At its fifth session, the Committee of Experts on Public Administration reaffirmed the central role of building capacity for good governance towards meeting the internationally agreed development commitments and objectives, including the Millennium Development Goals. It further encouraged Governments to foster public participation in public policy development, public service delivery and public accountability.

3. The Committee concluded that "the United Nations plays a major role in sensitizing the Member States and local stakeholders about the need to institute policies that enhance opportunities for citizen participation", and that "the Secretariat should also place its technical advisory facilities at the disposal of the Member States, especially those that seek assistance on the design of instruments for monitoring and evaluating participatory processes and their impact on citizens".[3]

4. To contribute to those ends, the normative, analytical and technical cooperation work of the Department of Economic and Social Affairs provides policy advice and capacity-building in poverty reduction and in the improved, equitable delivery of public services. The Department gathers and organizes information to facilitate the exchange of new ideas and techniques that have the potential to better position the public sector to contribute to sustained economic growth and poverty reduction. Many of those innovations centre on participatory governance and the engagement of citizens.

5. Reflecting the increasing importance Member States place on participatory governance and citizen engagement in order to reach their development goals, the Committee selected those themes as priority areas for its sixth session. The Committee will study experiences of countries that have fostered citizens' participation in governance and public administration, examining the various approaches and obstacles. The goal is to provide Member States with different policy options, based on its assessment of the impact of participatory governance and citizen engagement in public administration. The Committee also concluded that it should continue to focus on that topic at subsequent sessions, taking into account the findings of the forthcoming *World Public Sector Report* on the same theme.

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[1] General Assembly resolution 60/1, para. 11.

[2] Economic and Social Council resolution 2005/55.

[3] *Official Records of the Economic and Social Council, 2006, Supplement No. 44* (E/2006/44-E/C.16/2006/6), para. 25.

6. The present note sets the parameters for the Committee's debate and poses key questions to help identify policy options and recommendations. The first part addresses the following aspects of participatory governance and citizen engagement: (a) definition and rationale; (b) democracy and development; (c) service delivery; (d) limitations; (e) innovations; and (f) prerequisites of effective participation. The second part examines participatory mechanisms in policy development, service delivery, and budgeting and public accountability, raising questions about unresolved issues in institutionalizing such mechanisms. It also recommends policy options.

II. Participatory governance and citizen engagement

A. Definition and rationale

7. For the purpose of the present note, *governance* entails processes and institutions that contribute to public decision-making. When those processes and institutions concern the public sector, the term *public governance* is used. It can be argued that there are three categories of public governance: civic, political and development. *Civic and political governance* deal with issues that are related to human rights. *Development governance* mainly pertains to planning, budgeting, monitoring and accountability of socio-economic development policies and programmes. *Participatory governance* is one of many institutional strategies of development governance. *Citizen engagement* is the desired outcome or logical end of participatory governance.

8. Participation is a fundamental goal and object of value in and of itself. That is evident from the fact that the right to participate in a society's decision-making processes has been accepted by the world community as a fundamental human right. Participation also has instrumental value because it can help achieve other primary goals. In particular, participation can help to deepen democracy, strengthen social capital, facilitate efficiency and sustained growth, and promote pro-poor initiatives, equity and social justice. Those goals are essential components of the United Nations Development Agenda.

9. With the rise of the democratic movement, citizens in most countries are asking for a greater say in the policymaking processes of the State. Many Governments, faced with new challenges of governance, are also making efforts at the national, subnational,[4] regional and international levels to forge partnerships with non-governmental organizations, civil society organizations, business communities, trade unions and others. Governments engage in dialogue with those stakeholders and assimilate information from a variety of perspectives on formulating, implementing and monitoring public policies and programmes. Popular participation in a society's decision-making processes has many implications for economic growth and development, human rights, democracy, social capital, decentralized governance, efficiency of resource use, equity and social justice, and sustainable use of environmental resources, among others.

[4] A panel held by the Government of Italy and the Department of Economic and Social Affairs entitled "Fighting Urban Poverty: Which Participatory Approaches?" at the World Urban Forum III, Vancouver, Canada (20 June 2006) confirmed the importance of participatory approaches in solving the problems of urban poverty.

10. "Effective participation" is that which helps ensure efficiency and economic growth on the one hand, and equity and social justice on the other. Attempts to achieve effective participation do not always work. There is a need to determine the conditions that enable participation to be effective. A great deal of current research is focusing on that area in institutional design, incentive structures and social mobilization, for example.

B. Democracy and development

11. A democratic polity has traditionally been considered to be more conducive than a non-democratic one to progressive economic development that would raise the living standards of the masses at a rapid rate. However, that presumption has been challenged on both theoretical and empirical grounds. In theory, a democratic polity can get bogged down in a low-level equilibrium trap caused by the problems of collective action. Empirically, some spectacular cases of economic success under autocratic polities have weakened the economic case for democracy. Statistical analyses of the last decade have failed to reach a clear verdict on the relationship between democracy and economic development.

12. Nonetheless, several important lessons emerge from the literature. First, while democracy may not guarantee economic success, it can help stave off the worst failures, such as a serious famine.[5] Secondly, institutional details of how people actually participate in different forms of democracy have a bearing on the relation between democracy and economic development. Thirdly, in order to understand the possible impact of democracy on economic development, it is important to understand the political economy of policymaking under different historical and material contexts. Fourthly, the economic impact of democratic reforms may depend on the sequencing of economic and political reforms.

13. Some studies suggest that democracy may help reduce the volatility of economic performance, thus lowering uncertainty, improving resource allocation and enabling people to better plan their lives. The question that still arises is "which democratic institutions and practices best promote development?"

14. It has been observed that electoral participation by the poor can have a positive effect on their income shares and does not retard economic development. Studies that use subjective evaluations of institutional frameworks frequently find that economic development is promoted by the security of property rights, the rule of law, low corruption, among others. However, the effects of observable institutional arrangements — such as presidentialism vs. parliamentarism, electoral systems, federalism, or judicial independence — are very difficult to untangle from the historical conditions under which they were formed. Thus, those studies also rarely generate conclusive findings.

15. With all their caveats, recent findings suggest that democracy does have a positive overall effect on human development. Democracy allows individuals to be public persons: to make their claims and their views known to others and to participate in collective decision-making. Even if the decisions are not what the individual would want, they are a result of everyone's views being considered.

[5] As Amartya Sen (1981, 1989) argued, perhaps most importantly, it prevents humanitarian disasters, not simply famines, but more generally major economic collapses.

C. Service delivery

16. The previous section defined and highlighted the importance of participatory governance and citizen engagement. It also stressed the positive link between democracy — a form of participatory governance — and human development. The present section will evaluate the impact of participation on the delivery of basic services, which is critical for the achievement of the Millennium Development Goals.[6]

17. Recent experiences have specifically demonstrated that community participation is potentially useful to the provision of basic services (e.g., health care, education) and the management of local public goods (e.g., irrigation networks) and common property resources (e.g., environmental resources such as forestry, water bodies, grazing land, and others). Historically, those services and resources have been provided either by Government (e.g., in the case of health care) or by the community (e.g., in the management of common property resources).

18. Relying exclusively on government bureaucracy to deliver basic services has proven to be generally unsatisfactory in most parts of the developing world. The alternative of relying entirely on the market has also proven to be generally unacceptable. The market has been neither efficient, given the "public good" nature of many of those services, nor equitable, given the concern that frequently the needs of the rich are prioritized. Community participation has the potential to combine efficiency with equity. Such community participation must be distinguished from citizen participation. Citizens play many roles — as nationals of their country, inhabitants of their local community, members of their chosen networks of interests, family members, and so on. Participation and engagement help citizens to reconcile their multiple interests and explore trade-offs. Some participatory activities can be conducted at the local level and others not, but their impacts can often extend beyond local communities. When that happens, community interests must be reconciled with national interests and citizens' rights, for example.

19. Microcredit initiatives highlight the importance of participation as a governance arrangement in poverty reduction. The service providers (i.e., loan-givers) reach out to and engage the poor in a manner that allows the latter to determine their own priorities, receive services and self-monitor programme implementation. In microcredit initiatives, service providers come to the poor and not vice versa. The operational aspects of microcredit initiatives involve a range of participatory practices at all levels that ultimately contribute to building mutual trust between the beneficiaries and the service providers, ensuring sustainability of the programme.[7]

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[6] For an overview of the goals and the progress made, see *The Millennium Development Goals Report 2006* (United Nations publication, Sales No. E.06.I.18). For online text, see: http://unstats.un.org/unsd/mdg/Resources/Static/Products/Progress2006/MDGReport2006.pdf.

[7] The awarding of the Nobel Peace Prize to the Grameen Bank and its founder Muhammad Yunus is recognition not only of microcredit's contribution to peace and development, but indirectly recognition of the management practices that are strongly underpinned by participatory practices, in these initiatives.

D. Limitations

20. While increased participation by the intended beneficiaries of pro-poor development is undoubtedly a commendable objective, measuring the impact of participation on development project outcomes can be methodologically complex. At this stage, few conclusive statements can still be made about the importance and the modus operandi of this impact. Nonetheless, the traditional wisdom of not using a one-size-fits-all approach certainly applies. A proper design should be based on detailed knowledge of the characteristics of the community in question and its environment. Heterogeneity has a critical role that can vary depending on factors such as social differentiation, political domination and ethnic fragmentation.

21. As noted previously, participation has clear virtues, for both intrinsic and instrumental reasons. However, unintended consequences are also possible. In certain circumstances, participation may not be efficient; in others it may not be equitable; and in yet others it may be neither. Like market failure and government failure, there can be community failure too.

22. Emerging literature on community failure draws attention to some of the limitations or constraints of participation. Those findings do not make a case against participation but rather emphasize the need to establish safeguards to ensure the delivery of expected results. The target is to temper, not defeat, the advocacy for participatory development.

23. Essentially, two types of problems have been identified that lead to community failure: the failure of collective action and community imperfections. First, participation inevitably involves the engagement of many individuals in pursuit of common goals. Such collective pursuits are subject to free-rider problems and other negative consequences that hamper collective action. A consequence is that community participation may hinder, rather than promote, efficient solutions to resource allocation problems. Secondly, community imperfections arise from inescapable heterogeneity in a community. Under certain circumstances, it leads to what has come to be known as "elite capture". Where there are entrenched power hierarchies, there is a considerable risk that the local elite will distort information and opportunistically capture a substantial portion of the benefits of external assistance. Equity is the immediate casualty of such elite capture, and efficiency may also suffer if the elite is more interested in income-seeking than in economic progress.

24. In many poor countries, inequalities, particularly power asymmetries, are embedded into strong local patriarchies. Therefore, it is not surprising that such countries are prone to elite capture — whether at the hands of local leaders or of development brokers operating from higher up the patronage network. Citizens may accept, and even legitimize, the unequal apportioning of externally provided resources.

25. In contrast, participatory projects appear to be comparatively effective where economic development is more advanced and widespread, and where there is a history of social movements aimed at countering inequalities. That indicates that characteristics of the institutional environment matter greatly and that participation and citizen engagement are no panacea for the ills attributed to the previously existing, centralized mode of governance. In the end, it is difficult to avoid the dilemma of participation being least likely to succeed in those areas where it is most

needed. Other interventions are then needed to complement and support participation and citizen engagement. Among those complementary measures, employment-creation schemes directed at the poor should figure prominently. The schemes may be expected not only to increase their incomes but also to enhance their bargaining strength by helping to wean them off the dependence of local patrons. If priority is given to altering structural social inequalities, mechanisms for collective empowerment and individual advancement must receive primary attention.

26. Another dilemma is manifested in the capture of aid benefits that are then effectively managed by the local elite. In such cases, the poor may eventually benefit from aid interventions, even though there is an unequal sharing. A trade-off between poverty alleviation and equity and social justice exists.

27. A long-term horizon is necessary to counter the limitations of participation. Impatience with results and poor design of the components of participatory programmes — such as moving too rapidly in a way that confronts those who risk losing power or that overwhelms the capacities of those who gain power — are highly likely to produce negative effects and cause disillusionment.

E. Innovations

28. Despite the limitations, many innovations have succeeded in engaging citizens and making participation more effective. The innovations differ in many ways, partly because participation in governance can occur at different stages of the policy cycle, and also because not all innovations address all the stages of participation; namely, preference revelation, policy formulation, policy implementation, and monitoring and accountability.

29. Any kind of policymaking involves choices among competing interests and preferences. It is essential that the preferences of ordinary citizens, especially those of the marginalized groups, are properly reflected in policy formulation. Participation at the level of preference revelation can ensure that. Once preferences are revealed, the process of policy formulation must try to reconcile competing preferences. Popular participation at this stage can ensure that a small group of vested interests does not override the preferences of the majority. Participation of beneficiaries at the stage of implementation can also help achieve effective implementation by mobilizing both the enthusiasm and the localized information of the beneficiaries.

30. It has also been found that greater engagement by the affected social groups in policy formation and implementation was likely to boost two elements of successful management: ownership and credibility. For example, a borrowing country's "ownership" of its economic policy was strongly associated with the success of structural adjustment programmes. An important feature that influenced the borrower's sense of ownership was the nature of public and private sector relations and the influence of interest groups. Frieden's analysis (1991) on the economic reforms in Latin America points out that important interest groups that were left out

of negotiations disrupted the implementation of whatever decisions were made.[8] Such disruptions undermine the credibility of the borrowing Governments.

31. Finally, broad-based participation at the stage of monitoring is essential in order to ensure that those responsible for the formulation and implementation can be held accountable.

32. Governments have implemented innovations at the policy consultation and formulation stages. In Australia, the State Government of Queensland established a Community Engagement Division within the Premier's Department to introduce participatory governance initiatives, especially in public policies and programmes that are targeted at the regional level. Other countries have introduced structures of inclusive decision-making at the central or national level. In some cases, they have established multi-stakeholder bodies such as the National Economic and Social Councils that incorporate civil society organizations, the private sector, trade unions and others. In post-conflict situations, especially in Africa, new models of participatory governance are emerging to ensure conflict mitigation and inter-ethnic trust building. Those participatory governance models encourage inclusiveness in decision-making and equity in development. In particular, Rwanda's post-conflict governance strategy is significant for its inclusiveness, underpinned equally strongly by a gradualist approach.

33. The City of Naga, the Philippines, presents examples of innovative programme implementation or service delivery. There, participatory approaches have worked to address various dimensions of urban poverty. There are four key initiatives in the city's evolving institutional experience in participatory governance. First, the Partners in Development Programme secures tenurial rights for the urban poor. Secondly, the Participatory Planning Initiatives strengthen local capacity on participatory approaches. Thirdly, the Reinventing the Local School Board initiative uses participatory approaches to influence a national agency to address a key local concern. Finally, Naga's Millennium Development Goal-aligned local development plans seek to further institutionalize people's participation in governance and development planning.

34. Good examples of civic engagement in public accountability come from a number of countries that are applying participatory governance methodologies in a variety of fields.[9] For example, citizen groups in South Africa now actively participate in budgeting and fiscal policy processes. A number of countries have also moved towards "people budgeting" — citizen participation in the budgeting process.[10] Other countries now involve civil society organizations in public accountability processes including audits.[11] Successful cases include India's "Citizen's Report Card System" (a citizen-based monitoring and public

[8] Jeffrey Frieden, *Debt, Development, and Democracy: Modern Political Economy and Latin America, 1965-1985* (Princeton University Press, 1991).

[9] Brisbane Declaration, August 2006, Department of Economic and Social Affairs/State Government International Conference on Engaging Communities, 14-17 August 2006.

[10] See United Nations publications of 2005: *Citizen Participation and Pro-poor Budgeting* (Sales No. 05.II.H3); and *Participatory Planning and Budgeting at the Sub-national level.*

[11] See *Auditing for Social Change*, Department of Economic and Social Affairs, 2007 (ST/ESA/PAD/SER.E/75); Department of Economic and Social Affairs, International Budget Project and the Eastern Regional Organization for Public Administration Interregional Workshop, "Dialogue on Civil Society Engagement in Public Accountability", Manila, Philippines (ST/ESA/PAD/SER.E/94).

accountability system at the local government level); the participatory audit pilot programme in the province of Abra, the Philippines; and Korea's Open Audit Application system.

35. As illustrated, most of the successful innovations that have attracted widespread attention address one or more stages of public policy through a combination of innovative institution- and capacity-building.

F. Prerequisites of effective participation

36. As noted above, there is no guarantee that participation will always be effective in reaching the goals of public policy or development. It may sometimes even be counterproductive to equity and social justice. It is necessary to take a broad overview of the prerequisites of effective participation, based on both conceptual and empirical foundations.

37. Participation is regarded as "effective" when it yields greater influence for ordinary people, especially the poor and socially excluded. That influence can be over government actors, politicians and bureaucrats, and their own destinies. In order to be "effective", participation must not only reveal the preferences of ordinary people but also enable those preferences to shape outcomes. There must be processes and forums, formal or informal, through which they can voice their concerns and affect decisions. Ordinary citizens should be sufficiently confident and capable of contacting and obtaining responses from bureaucrats, elected representatives and other public agents. They should be able to have an impact by lobbying or demonstrating collectively. When those conditions are manifest, "effective" participation and empowered participatory governance is a reality.

38. Recent research has identified a number of essential prerequisites to effective participation. One strand has drawn attention to the importance of "empowered participatory governance". It argues that what determines the success of participation is not so much the technicalities of institution design as much as the creation of "countervailing power" — a variety of mechanisms that reduce, and perhaps even neutralize, any power-advantages of powerful actors in a given society.

39. Another strand of research has emphasized striving for the realization of the whole range of human rights as a precondition of effective participation. The necessary countervailing power cannot be created without the fulfilment of civil-political rights such as freedom of speech and information, and equal access to justice, among others. Some research argues that the poor must be ensured a certain minimum degree of economic security before they can be expected to engage in activities geared to the creation of countervailing power.

40. In this context, the issues of transparency and accountability have been much emphasized. Without transparent decision-making processes, "distant participants" cannot be certain that their views and aspirations will receive due consideration. Without adequate procedures and institutions for holding the "direct" decision-makers accountable for their actions and inactions, "indirect participants" cannot ensure that decisions agreed upon through participatory processes will be followed.

41. Therefore, the prerequisites to effective participation in which ordinary citizens can influence outcomes of decision-making processes include mechanisms

and systems that create an empowered citizenry, assured of their basic human rights, who are able to counterbalance powerful minority actors. Transparency is imperative in creating the confidence that participants' preferences are being duly considered and ensuring that decision-makers are held accountable.

III. Institutionalizing participation and citizen engagement

A. Policy development, service delivery, budget and public accountability

42. As concepts, participation and citizen engagement focus on the idea that involving stakeholders in decision-making about their communities and broader social issues has important social, economic and political benefits. Engaging citizens entails a process that consists of identifying stakeholders, establishing systems that allow for their engagement by public officials, and developing a wide range of participatory mechanisms.

43. Participation in policymaking has traditionally been considered only in the context of direct representation through the electoral process. By electing public officials who represent and advocate policies congruent with citizens' perceptions of their priorities and needs, the electoral process represents the most widespread manifestation of citizen engagement in policymaking. However, the changing role of government and rising expectations on the part of citizens are giving way to a new dynamic order to address citizens' needs. New and additional mechanisms and institutions for citizens to engage in policymaking, particularly outside and in addition to the electoral process, are needed.

44. With globalization and liberalization combined with democratization and information revolution, the roles of Governments and socio-economic actors have changed significantly. From a direct role in delivery, Governments are now beginning to act as facilitators. At the same time, citizens are demonstrating a far greater interest in public affairs and committing themselves to contribute more actively to the socio-economic development of their countries. Furthermore, globalization, marketization, agglomeration and corporatization of the economic sector are reducing policy space for the Government, which diminishes the State's ability to manage information, respond to contingencies and reach out to the poor in a manner that is mutually beneficial, transparent and accountable. In those changed circumstances, the State aims to transform itself from a paternalistic institution to an engaging partner.

45. For policy development, innovative consultative structures or processes are needed to institutionalize participation and engagement. The National Economic and Social Councils cited above were revamped by Ireland in the mid-1980s. They represent an emerging framework for multi-stakeholder decision-making at the national level and contribute to policymaking in an informed and participatory manner.[12] A new process involves civil society organizations carrying out their own

[12] Though the National Economic and Social Councils works as an alternative policymaking body, its inputs are submitted to government in a non-binding manner. The final decisions on policies are made in the Parliament. One less explored area of participation is the potential of civil society organizations participating through the standing committees of the Parliament.

social mobilization and articulation of issues and concerns from their perspectives. Such activities would aim to engage government institutions for policy dialogue and formulation of pro-poor policies.[13]

46. For the public service, new tools are also needed to consult people as "consumers", service recipients as "clients" and respect citizens as "accountability holders". The United Nations Millennium Village Project is exploring how best to assist the poorest to attain the Millennium Development Goals through the introduction of simple reforms and an infusion of basic materials. Some villages are currently experimenting with incorporating participatory structures in the design, implementation and delivery of services.[14]

47. Information and communications technology has also been playing an important role in engaging citizens, both in information sharing and receiving feedback on service delivery. Implemented within the suitable technological, social and legal environments, information and communications technology initiatives have proven to be extremely useful tools of participation. As more societies are "wired up" or leap-frog to wireless connectivity, the possibilities of e-government services expand. A number of countries, including the Republic of Korea, Brazil, Mexico and many others, have introduced a variety of online approval or kiosk services that allow citizens to state their preferences, obtain or give real-time feedback and track the progress of their requests — at their convenience.

48. For the accountability processes in development management, the engagement of all stakeholders — including civil society organizations, non-governmental organizations, media and the private sector — is crucial. In particular, there has been an increasing emphasis on the need to increase and intensify the involvement of citizens in the decision-making processes, not only in government policy formulation but also in budgeting, public expenditure management and auditing.

49. Over the last 10 years, the capacity of civil society organizations to understand, analyse and influence public budgeting has grown dramatically. However, most of their focus has been on examining the passage of the budget through the legislature and the subsequent implementation of the budget. There has been much less civil society engagement with the auditing process and with supreme audit institutions. Nonetheless, a small but growing community of civil society groups in developing countries around the world is pioneering innovative methodologies for participating in government audit functions and in monitoring and evaluating the performance of publicly funded projects and services. Their initiatives represent important opportunities for engagement between supreme audit institutions and civil society that can strengthen the oversight function necessary to ensure public accountability in the delivery of public goods and services.

50. The need to institutionalize and innovate participatory structures and processes applies to all countries. For the least developed countries, those processes can assist Governments to ensure the full engagement of the recipients of public programmes

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especially in oversight activities.

[13] The initiative of the South Asian Centre for Policy Studies in the formulation and launching of the South Asian Social Charter is a good example of this.

[14] "The Magnificent Seven", *The Economist*, 27 April 2006, states that in the Millennium Village of Sauri in Kenya, committees of elders have taken responsibility for almost every service innovation introduced.

and services to reach the internationally agreed development goals. For economically advanced countries, institutionalization and innovation can assist Governments to better meet the rising expectations of their citizens.

B. Conclusions

51. The experiences cited above indicate that, backed by political commitment and organized creatively and efficiently, participatory governance can be effective. It has the potential to contribute successfully to inclusive decision-making and equitable socio-economic development.

52. Participatory governance is of intrinsic value by giving voice to citizens in making decisions that affect the quality of their lives. It is also of instrumental value, as the engagement of citizens may lead to public policies better grounded in reality, more responsive services, and transparency and accountability in the allocation and expenditure of public resources.

53. Citizens have an important role to play in pushing the performance of Governments to higher levels. For those Member States struggling to meet the internationally agreed development goals, participatory governance may result in gathering better feedback from and more engagement with the intended beneficiaries of their public policies and programmes. For those Member States with more advanced economies, the improvement in the provision of public goods and services, in turn, can increase confidence in government and contribute to building public trust. Civic engagement and public trust are essential intangible assets, making up the social capital so essential to achieving higher levels of human development.

C. Key unresolved issues in the institutionalization of participation

54. Before elaborating on policy recommendations, the Committee of Experts may wish to debate and provide insights and advice on the issues highlighted below. The outcomes of that deliberation will not only be transmitted to the Member States but also be taken into account in the preparation of the next *World Public Sector Report* on participatory governance. The list is limited to key questions, and it is not an exhaustive one.

- What is the political economy of decision-making in a democratic polity, including parliamentary processes that have a direct bearing on the ability of citizens to engage in policymaking?
- What government structures, systems and institutions support participatory governance, and what are those that limit it?
- What are the special problems in transition economies, post-disaster and post-conflict societies of ensuring effective participation? What is the role and impact of accountability in those three types of societies?
- Have consultative practices and institutions, such as town hall meetings or economic and social councils, effectively contributed to pro-poor policies and better service delivery and public accountability?

- What is the cost of citizen engagement in traditional government processes, and do those costs outweigh the benefits?
- How strong is the link between citizen engagement and advancing the achievement of the United Nations Development Agenda, in particular the Millennium Development Goals?
- What are the circumstances in which citizen engagement is thwarted because of either failure of collective action or elite capture?
- What are effective measurement tools and techniques for participatory governance?
- Should the Government take responsibility for citizen engagement or should that be the responsibility of citizens themselves?

D. Recommendations

55. Although a preliminary set of policy options and recommendations emanate from the present paper, answers to the above questions can clarify and expand them.

56. For Member States in general, for participation to be effective, three enabling arrangements are required: normative (that is, there should be a law to allow sustainable participation),[15] regulatory (rules and regulations guiding participation) and regenerative (capacity-building of both government and civil society organizations). In addition to those forms of institutionalization, political commitment and leadership are two additional factors that assist in promoting participatory governance.[16]

57. Roles and responsibilities of Governments and citizens in the participatory processes should be clear. Governments should ensure that structures and processes are in place for timely and adequate participation. That may require the commitment of public officials to engage citizens, impartiality in sharing information and equity for all stakeholders. It is important to coordinate participatory processes to make them more coherent and efficient. Sufficient resources need to be allocated, and periodic evaluation of the different strategies should be conducted.

58. The Economic and Social Council has already recognized the important contribution of participatory governance to the realization of the internationally agreed development goals. It can take a further step in recommending that participatory governance and citizens' engagement be incorporated into the work of its subsidiary functional commissions.

59. Now that the Secretariat is well into its analysis and documentation of participatory governance, it should highlight the key institutional and methodological issues and disseminate models of inclusive decision-making and good practices. It may wish to distil the knowledge gathered thus far, including the World Public Sector Report on this theme, into a short, policy brief to place at the

[15] For example, the Republic of Korea, Mexico, the Philippines and India have now enacted laws to allow civil society participation in the auditing process.

[16] Examples from around the world indicate that certain political agendas and leadership promote participatory governance more readily than others: Brazil, Mauritius, Rwanda, Queensland state of Australia, and others.

disposal of Member States. Such a policy brief should concentrate mainly on assisting the least developed and developing countries to reach the internationally agreed development goals, including the Millennium Development Goals.